

Title I – A and ARRA Fiscal Guidelines

Federal Funding for Title 1-A and Title 1-ARRA are governed by:

1. Statutes (Laws)
 - a. Program statutes
 - b. General Education Provisions Act (GEPA)
2. Regulations
 - a. Program regulations
 - b. Education Department General
 - c. Administrative Regulations (EDGAR)
 - d. OMB Circulars
3. Guidance

Purpose of Funds: Title 1-A and Title 1-ARRA funds are to be used for approved Title 1-A and Title 1-ARRA services to designated schools to provide a funding framework to establish or expand Title 1 programs and to provide the basis for which grant awards and payment are to be made.

Annual Application for Funds: Qualifying LEAs must submit an annual application and budget for approval. In Utah, this is completed through the Utah consolidated Application (UCA). Once the budget has been approved the LEA can apply for reimbursement. The approved budget gives pre-approval status to all equipment purchases outlined in the LEA's budget. Any capital outlay greater than or equal to \$25,000 **MUST** be pre-approved.

Responsibilities Associated with Acceptance of FEDERAL Funds:

Programs accepting FEDERAL funds are responsible for assuring that funds are:

- Consistent with current Federal Statutes and Regulations
- Consistent with any special conditions imposed on the grant
- Consistent with the underlying needs of the program
 - Data driven decision making
 - Target funds to areas of weakness
 - Personnel development
 - Reporting

- School wide programs or targeted assistance
- Consistent with **“carry-over”** policy – Federal regulations limit the amount an LEA can carry over to 15% of the Title I Grant. LEAs may request a waiver of the 15% carryover limit once in three years or they may return all funds over the 15% limit for reallocation.
 - If carryover amount is less than or equal to 15%, no waiver is required.
 - More than 15% carry-over on September 30th requires waiver approval. A waiver may be requested when September expenditures have been determined and the exact percentage of carry-over has been calculated.
 - A reimbursement request must be submitted up to and including all expenses as of September 30th
 - September reimbursement request is due no later than October 15th
 - Analysis will be made of all expenditures and programs with more than 15% carryover will be notified
 - Waiver request to carry-over more than 15% in Title 1 or Title 1- ARRA will be due no later than November 1st
 - Programs will be notified upon approval/disapproval of request
 - Programs may only request a waiver once every three years
 - See separate document for items to include in the waiver request
- Consistent with **“maintenance of effort (MOE)”** policy
 - An LEA may not use funds to reduce the level of expenditures for the education of children from local funds below the level of those expenditures for the preceding fiscal year.
 - For eligibility determination, the USOE must determine that the LEA budgets at least the same total spent for that purpose from the same source for the most recent prior year for which information is available.
 - Sources of funds may be either local funds only or combination of State and local funds.
 - The USOE will not consider any expenditure made from funds provided by the Federal Government for which the USOE or the LEA is required to account to the Federal Government in determining the LEA’s compliance.
 - Allowable reductions:
 - The voluntary departure, by retirement or otherwise, or departure for just cause of service personnel
 - A decrease in the enrollment of qualifying students
 - The termination of costly expenditures for long-term purchases, such as the acquisition of equipment
 - Maintenance of Effort can be satisfied by an LEA in either of the following two ways:

- By looking at the amount the LEA has expended in non-federal expenditures two years previous, taking 90% of that amount, the results must be greater than or equal to the amount spent in the previous year for the LEA to have no reduction in funds for the current year OR
 - By looking at the amount the LEA has expended per pupil in non-federal expenditures two years previous, taking 90% of that amount, the results must be greater than or equal to the per pupil cost the amount spent in the previous year for the LEA to have no reduction in funds for the current year.
- To calculate the percentage of reduction, if necessary, is figured two ways also:
 - Overall expenditures OR
 - Per pupil expenditures.
 - Since the LEA can satisfy the MOE by either method, then the USOE will use the lower of the two percentages to calculate the actual percentage of decrease for the current year, this percentage multiplied by the previous year's allocation to determine the dollar amount of reduction.
- Funds must be used to **supplement** State, local, and other Federal funds, **not to supplant** those funds – ask this question: “What would have happened in the absence of federal funds?”
 - Presumptions of supplanting:
 - Required to be made available under other federal, state, or local laws
 - Provided with non-federal funds in prior year
 - Funds were used to provide services to Title 1 students, and the same services are provided for non-Title 1 students using other funds
 - Presumption rebutted:
 - If LEA demonstrates it would NOT have provided services if the federal funds were NOT available
 - NO non-federal resources available this year
- **Comparability** of Services
 - LEAs are able to document that the services provided with state and local funds in Title I schools are comparable to those provided in non-Title I schools in the LEA.
 - State and local funds must be used in participating schools to provide services that, taken as a whole, are “at least comparable” to services in schools that do not participate in the Title I program.
 - If an LEA serves all of the schools in its district with Title I funds, the LEAs must use state and local funds to provide services that are “substantially comparable” in each participating school.

- Comparability may be determined on a grade-span-by-grade-span basis or a school-by-school basis.
- Written Assurance
 - On-site files contain a written assurance with the SEA that it has developed and implemented the following three features:
 - a. An LEA-wide salary schedule;
 - b. A policy to ensure equivalence among schools with regard to teachers, administrators and other staff; and
 - c. A policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.
 - Other measures that can be used:
 - a. Student/instructional staff ratios or
 - b. Student/instructional staff salary ratios
 - Need not include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year in determining comparability of services.
- Maintenance of Procedures and Records
 - LEA must develop procedures for complying annually with the comparability requirements
 - LEA must maintain records (updated biennially) that document its compliance i.e., if the LEA files a written assurance that it has established and implemented a district-wide salary schedule and policies to ensure equivalence among schools in staffing and in the provision of materials and supplies, it must keep records documenting that the salary schedule and policies were implemented and that equivalence was achieved among schools in staffing, materials, and supplies.
 - Exclusions
 - a. Comparability rules allow the same exclusion of funds permitted under the supplanting analysis
 - b. For the purpose of determining comparability, the LEA may exclude supplemental state and local funds expended in any school attendance area or school for programs that meet the intent and purposes of Title I.
 - c. The LEA also may exclude funds expended for language instruction educational programs (i.e., bilingual education for children of limited English proficiency), as well as the excess cost of providing services to children with disabilities as determined by the LEA.
- Other important fiscal information

- ❖ **Basic cost guidelines** must be consistent with the Federal cost principles
 - As found in the OMB Circulars:
 - A-87 State, Local and Indian tribal Governments
 - A-122 Non-Profit Organizations
 - A-133 Single Audits
 - Necessary – Reasonable
 - must be necessary for the performance or administration of the grant
 - must follow sound business practices, i.e. procurement processes, follow state, local and federal laws; follow terms of the grant award
 - Fair market prices
 - Act with prudence under the circumstances
 - No significant deviation from established prices
 - Data driven
 - Allocable
 - Can only charge in proportion to the value received by the program
 - Can use direct or indirect methods of allocating costs
 - Not allowable: legal expenses for “prosecution of claims” against the federal government; entertainment; fines and penalties; alcohol; advertising/PR if not required
 - Allowable: Salaries and wages if proper time distribution records are kept and maintained for ALL employees whose salaries are paid in whole or in part with federal funds and for all “cost objectives” for which the employee worked
 - Documentation must be signed by the employee and prepared at least monthly and coincide with one or more pay periods
 - LEAs are encouraged to upload to the Desktop Monitoring File, at the time of budget submission a copy of the LEA’s ‘Time Certification’ document; a copy of the ‘Time Card’ for those staff or teachers being paid from more than one funding source; and/or the ‘Time Card’ for part-time staff or teachers being paid from federal source. A list of all employees paid from a specific federal source will be requested at the time of the monitoring visit, documentation **MUST** be available for any or all employees listed
 - Time/Effort Documentation must include:
 - a. Name of employee
 - b. Job Title
 - c. Pay period dates – at least monthly (to include one or more pay periods) or by pay period

- d. All accounts used to pay salary with the percentage of time used for each accounting code
 - e. Time must be listed for and by ALL accounting codes used for salary pay determination
 - f. Needs to show total time in each accounting code
 - g. Signed by employee
 - h. Signed by employee's supervisor
 - i. Time/Effort Documentation must be signed monthly by school district personnel and by pay period for all Charter school personnel
 - j. Time certification may be used for full-time employees paid from only one funding code and must be signed by employee and employee's supervisor twice per year
 - k. All data may be stored as PDFs electronically or hard copy in employee files
- Legal under state and local law
 - Conform with federal law and grant terms
 - Consistently treated
 - In accordance with general acceptable accounting principles (GAAP)
 - Not included as match
 - Net of applicable credits
 - Adequately documented
 - ❖ **Procurement** and Inventory
 - A current list of all inventory purchased with Title 1 funds, including purchase price and date of purchase
 - ❖ EDGAR states that Federal funds **cannot be used** for the following:
 - Cannot use federal funds for religious worship or instruction
 - Title 1 funds cannot be use for the acquisition of real property or for construction

Title 1 Program Fiscal Responsibilities:

1. Maintain accurate records/documentations of all expenditures including salaries (as outlined above)
2. Produce any or all records/documentation upon request by the USOE
3. Request reimbursements on a regular basis

As an increased measure of accountability:

- ✓ The USOE is implementing a procedure to verify that LEAs maintain adequate documentation to support requests for reimbursement. Programs reimbursement requests will be monitored closely; documentation may be requested in one or more budget categories. If deemed necessary, full documentation may be requested on all reimbursement requests. Programs will be notified at the time of reimbursement requests if documentation is required before payment is made.
- ✓ The USOE is implementing additional measures for Fiscal Monitoring. Program On-Site Monitoring will also include:
 1. A program list of ALL staff being paid with Title I funds and Salary payment procedures
 2. A program list of ALL purchases of \$25,000 or greater, including Vendor information – name, address and DUNS number
 3. The program's Procurement Policy and/or Procedures
- ✓ Comparability Reporting will now require all Title I schools to be reported, regardless if there is a non-Title I school to compare it to. It is necessary to show that even if all of your schools are Title I schools, they are also comparable to each other.
- ✓ USOE will also be keeping a more careful eye on deadlines for completion of required reporting.